

which ones are effective; which ones are cost-effective. And that critical, fundamental relationship between a physician and a patient, we could be creating barriers in that relationship that are not going to provide for the high quality, optimum level of health care and treatment we have experienced in this country for a long time.

Clearly, I think we all have to acknowledge there are things that need to improve in the health care system in this country. We need to reform our health care system. We need to bring the costs down. We need to figure out ways to make health care available and accessible to more Americans so that many of those who don't have health care have access to it and to get costs under control. But there are lots of ways that can be done by building upon the strengths we have in the current system; not throwing it completely away in exchange for a government-run system, which would ration health care, limit the amount of choices Americans would have, and cost the taxpayers an awful lot of money. Because I think, at the end of the day, most of the estimates that have been done—and it is hard to know because we don't have a specific proposal out there yet that has been costed or a revenue source that has been identified for it, but I think all the estimates we have seen so far suggest that this plan, the health care plan that is being proposed by the President and by the Democratic leadership in the Congress, is going to cost somewhere in the neighborhood of \$1 trillion to \$2 trillion. We don't know exactly. I have heard \$1.2 trillion, \$1.5 trillion. I have heard up to \$2 trillion, but we know that is an enormous amount of money, and that revenue has to come from somewhere. One-sixth of the American economy today, one-sixth of our economy, entire economy in this country is health care, headed toward one-fifth. So we are going to hand the keys over to the Federal Government and allow them to control an enormously large component of the American economy—one-sixth of it today and it will be one-fifth in just a few years. It seems to me that would be a bad precedent and something, again, that would lead us further and further down a path of greater control for the Federal Government in our private economy. I don't think that is good for health care for Americans. I don't think that is good again for American business, for the economy or for our ability to create jobs.

The bill I introduced, as I said, is designed to get at the TARP moneys that are going to be paid back in and hopefully getting the government out of the car business, the government out of the banking business, and the government out of the insurance business, but I also view those as almost what I would characterize as gateway drugs that are going to lead the way for the nationalization or the government takeover of health care. A government plan is not

a good way to do business, and it is certainly not in the best interests of Americans, who, I think, even though there may be those who want to see the costs of our current health care system come down, those who have coverage today, most of them would argue we have a system that is pretty effective; that when you need to get seen by a doctor, when you need to get treated, when you need to use some of the modern equipment and technology we have available and that is there today—and I think that is very much in jeopardy if you allow the government to intervene and to impose itself into that decision-making process and begin to ration care.

#### DEBT AND DEFICITS

Mr. THUNE. Madam President, one final point I wish to make is all of this sort of ties back to what I think is the pattern, the precedent we have seen so far in this Congress, and that is incredible amounts of spending, incredible amounts of borrowing. The stimulus bill started it off to the tune of about \$800 billion. The budget we passed this year on the discretionary, nondefense domestic side was 8.9 percent more year over year than the previous year. The omnibus bill we passed—which was unfinished business from the last Congress—was 8.3 percent over the previous year, which, again, more than doubled the rate of inflation. We have all these Federal obligations and liabilities that are being created by virtue of these interventions in the marketplace. We have the TARP program; we have all this taxpayer exposure out there, all this spending, and this year we know we are going to have a \$1.8 trillion deficit which dwarfs anything we have ever seen in history and as far as the eye can see. For the next decade, we are looking at about a \$1 trillion, on average, annual deficit.

Our debt to GDP is headed to historically high levels if predictions are accurate. I think the predictions are optimistic in terms of what we are going to see in economic growth, unemployment, inflation, and interest rates. Even if the projections with respect to the economic indicators are accurate, we are going to see, 10 years from now, the public debt, as a percent of the GDP, reach over 80 percent—a rate we have not seen literally since the end of World War II.

These are very troubling signs. I think they should be warning flags, warning signs to the people in this country that this level of borrowing, the amount of spending, the amount of taxation, with the new obligations in the health care bill, is too much for our economy to bear and for the American taxpayer to bear.

What the President came out with earlier this week is a new announcement that, all of a sudden, we have gotten religion, and we are going to submit all of the new spending and all of these programs now to what is known

as pay-go. I will submit for the RECORD an editorial from the Wall Street Journal from a couple days ago.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 11, 2009]

#### THE "PAYGO" COVERUP

Some things in politics you can't make up, such as President Obama's re-re-endorsement Tuesday of "pay-as-you-go" budgeting. Coming after \$787 billion in nonstimulating stimulus, a \$410 billion omnibus to wrap up fiscal 2009, a \$3.5 trillion 2010 budget proposal, sundry bailouts and a 13-figure health-care spending expansion still to come, this latest vow of fiscal chastity is like Donald Trump denouncing self-promotion.

Check that. Even The Donald would find this one too much to sell.

But Mr. Obama must think the press and public are dumb enough to buy it, because there he was Tuesday re-selling the same "paygo" promises that Democrats roll out every election. Paygo is "very simple," the President claimed. "Congress can only spend a dollar if it saves a dollar elsewhere."

That's what Democrats also promised in 2006, with Nancy Pelosi vowing that "the first thing" House Democrats would do if they took Congress was reimpose paygo rules that "Republicans had let lapse." By 2008, Speaker Pelosi had let those rules lapse no fewer than 12 times, to make way for \$400 billion in deficit spending. Mr. Obama repeated the paygo pledge during his 2008 campaign, and instead we have witnessed the greatest peacetime spending binge in U.S. history. As a share of GDP, spending will hit an astonishing 28.5% in fiscal 2009, with the deficit hitting 13% and projected to stay at 4% to 5% for years to come.

The truth is that paygo is the kind of budget gimmick that gives gimmickry a bad name. As Mr. Obama knows but won't tell voters, paygo only applies to new or expanded entitlement programs, not to existing programs such as Medicare, this year growing at a 9.2% annual rate. Nor does paygo apply to discretionary spending, set to hit \$1.4 trillion in fiscal 2010, or 40% of the budget.

This loophole matters, because on the very day Mr. Obama was hailing paygo the House Appropriations Committee was gleefully approving a 12% increase in 2010 nondefense discretionary spending, the third year running that Democrats have proposed double-digit increases. Or consider that the 2010 budget resolution included a \$2 billion increase for low-income heating assistance as an entitlement change that should be subject to paygo. But Congressional Democrats simply classified it as discretionary spending, thereby avoiding the need for \$2 billion in cuts elsewhere. C'est-la-paygo.

Mr. Obama's new proposal includes even more loopholes. There's an exception for Congress's annual alternative-minimum tax "patch," which is worth at least \$576 billion over 10 years; for any of the Bush tax cuts that Mr. Obama decides he wants to extend past 2010; and to protect against planned cuts in Medicare doctor payments. These carve-outs alone spare Democrats from having to come up with some \$2.5 trillion in spending cuts or new taxes. To add insult to profligacy, the rules also allow the Administration to run huge early deficits for its looming health-care bonanza, and only pay for it later—say, after 2012.

The President also revived the myth that paygo was somehow responsible for eliminating budget deficits during the Clinton

years. In fact, that brief era of balanced budgets was due to: mid-decade spending reductions by a GOP Congress elected on a balanced-budget pledge; an excessive cut in defense spending to 3% from 5% of GDP across the decade; and an unsustainable revenue boom due to the dot-com bubble. But harking back to the 1990s lets Mr. Obama avoid having to defend his own spending record.

The real game here is that the President is trying to give Democrats in Congress political cover for the health-care blowout and tax-increase votes that he knows are coming. The polls are showing that Mr. Obama's spending plans are far less popular than the President himself, and Democrats in swing districts are getting nervous. The paygo ruse gives Blue Dog Democrats cover to say they voted for "fiscal discipline," even as they vote to pass the greatest entitlement expansion in modern history. The Blue Dogs always play this double game.

The other goal of this new paygo campaign is to make it easier to raise taxes in 2011, and impossible to cut taxes for years after that. In the near term, paygo gives Mr. Obama another excuse to let the Bush tax cuts he dislikes expire after 2010, while exempting those (for lower-income voters) that he likes. In the longer term, if a GOP Congress or President ever want to cut taxes, paygo applies a straitjacket that pits those tax cuts against, say, spending cuts in Medicare. The Reagan tax reductions would never have happened under paygo.

The main political question now is when Americans will start to figure out Mr. Obama's pattern of spend, repent and repeat. The President is still sailing along on his charm and the fact that Americans are cheering for an economic recovery. But eventually they'll see that he isn't telling them the truth, and when they do, the very Blue Dogs he's trying to protect will pay the price. And they'll deserve what they get.

(Mr. BEGICH assumed the Chair.)

Mr. THUNE. Mr. President, I will make a couple of observations they made in that editorial, as well as similar observations made by some of my colleagues in the Senate, since this announcement was made—that pay-go is going to now be enforced—statutory pay-go.

This editorial from the Wall Street Journal said:

The truth is that paygo is the kind of budget gimmick that gives gimmickry a bad name. As Mr. Obama knows but won't tell voters, paygo only applies to new or expanded entitlement programs, not to existing programs such as Medicare, which this year is growing at a 9.2 percent annual rate. Nor does paygo apply to discretionary spending, set to hit \$1.4 trillion in fiscal year 2010, or 40 percent of the entire [Federal] budget.

Mr. President, the thing that strikes me about this announcement is, it seems it is, as is often said, too much, too little, too late. We already passed an \$800 billion stimulus bill, which we financed by borrowing from the next generation. That wasn't subject to pay-go nor have many of the spending programs in the past couple of years been subject to pay-go.

When the Democrats took control of the Congress after the 2006 elections, it was announced by Speaker PELOSI that they were going to enact pay-go—saying pay-go is going to be the policy, the rule followed in terms of the spending done by the Federal Government. But

that was quickly ignored. As I said before, if we look at the reality of what happened in the last few years, despite all the lipservice paid to pay-go, it doesn't apply all that much. It applies to new entitlement programs and to tax cuts, but as far as I can tell, it doesn't apply to discretionary spending, to current entitlement spending, which, as I said earlier, is growing—Medicare at about a 9.2-percent annual clip. So what is it really good for?

Well, it seems to me it is a statutory excuse to raise taxes. If we continue to exempt more and more things—one of the things we debated in the last year or two is whether an extension or exemption will be afforded to taxpayers from the AMT, which would capture more taxpayers, and whether it ought to be offset and paid for and the pay-go rules ought to apply to it.

Well, the President, in his announcement a couple days ago, went so far as to say he is going to exempt the AMT fix from pay-go. That is a \$576 billion ticket item over a 10-year period. The AMT would be exempted. The physician fee fix would be exempted, which is something we have had to do recently in Congress on a regular basis to protect doctors from the cuts that would occur under statutes passed many years ago. So we come in and we do what we call a physician fee fix. That will be exempted from the pay-go rules.

So we would be carving out big chunks of Federal spending, of tax relief, and there were a couple of other exemptions that were mentioned that would be exempt from pay-go. If we take them off the table, and if we take entitlement spending off the table—at least current, present entitlement spending—and we take discretionary spending off the table, it seems to me all we have done is, again, created this gimmick that is trying to pull the wool over the eyes of the American people that we are really doing something serious about fiscal responsibility which, in fact, we all know is not the case.

Mr. President, I hope we get serious about fiscal responsibility here. It means we have to get our arms around spending. We cannot fix the fiscal problems in this country when we exempt everything and say we are going to continue to spend—in fact, the appropriations bill passed in the House of Representatives the other day; they passed one of their appropriations bills with a 12-percent increase over last year. How can we justify that when we have a \$1.8 trillion deficit this year and an economy that is in recession? The Federal Government is supposed to be leading the way, setting the example, and we cannot even live within our means. We say we are going to implement pay-go and, boom, before the ink is even dry on whatever statement they may have signed, we have a House Appropriations subcommittee passing an appropriations bill with a 12-percent year-over-year increase. And, again, because discretionary spending is ex-

empt from pay-go, what difference does this announcement on pay-go really make, other than to try to pull the wool over the eyes of the American people?

I hope the American people figure that out. I think they will. I certainly know, around here at least, we get new data all the time about the size of the deficit and what we are going to look at in the foreseeable future. It is a very disturbing picture. That is why I think it is so important we get spending under control, that we get the Federal Government out of the private ownership of American business, and let American business do what it does best: create jobs and make their own management decisions, not the Federal Government, because it controls such a big part of these businesses, intervening and trying to impose their political will on this decisionmaking process, and that we do everything we can to prevent a government takeover of our health care system, at a cost of somewhere between \$1 trillion and \$2 trillion, which will inevitably lead to much higher taxes.

Somebody has to pay. These things all have to be paid for or we can borrow it, which is what we did with the stimulus bill. So we can have higher taxes or more borrowing. I argue the spending has to stop. That is the only way we are going to get our fiscal house in order and make it clear to the American people we are serious in Washington about getting spending under control. I hope we get a vote on my exit plan, my bill. I think we need a plan to exit the scene and get government out of the ownership of large parts of the private economy and private businesses in this country. I hope we will do everything we can to prevent a government takeover of our health care system, which is one-sixth of our economy.

I also hope we will not fall for dumb gimmicks like pay-go, which do nothing to address, fundamentally, the financial and fiscal problems our country faces, but that we will get serious about getting spending under control and putting America on a fiscal path toward fiscal discipline that is fair and responsible to the people in this country, who pay these bills, the American taxpayers.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### EXPRESSION OF APPRECIATION

Mr. REID. Mr. President, I walked in the Chamber and saw you presiding. And I said to Lula Davis, who helps us so much here, what a terrific addition